

RESOLUTION NO. 2008-11

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
COUNTY OF WARRICK, INDIANA, PLEDGING COUNTY ECONOMIC
DEVELOPMENT INCOME TAX REVENUES TO THE WARRICK COUNTY
REDEVELOPMENT COMMISSION FOR THE PAYMENT OF INTEREST ON
CERTAIN PROPOSED WARRICK COUNTY REDEVELOPMENT DISTRICT
TAX INCREMENT REVENUE BOND ANTICIPATION NOTES, RELATING TO THE
WARRICK COUNTY ECONOMIC DEVELOPMENT AREA,
EPWORTH ROAD CORRIDOR**

WHEREAS, the Warrick County Redevelopment Commission (the "Commission"), the governing body of the Warrick County, Indiana Department of Redevelopment and the Redevelopment District of Warrick County, Indiana (the "District"), exists and operates under the provisions of Indiana Code 36-7-14, as amended from time to time (the "Act"); and

WHEREAS, on March 20, 2008, the Commission adopted its Resolution No. 2008-03 (the "Bond Resolution"), to authorize the issuance of the Warrick County Redevelopment District Tax Increment Revenue Bonds (Epworth Road Corridor Project) (the "Bonds"), in one or more series, in an aggregate principal amount not to exceed Twenty Million Dollars (\$20,000,000), which are payable from Tax Increment (as defined in the Bond Resolution) generated in the Warrick County Allocation Area, Epworth Road Corridor (the "Allocation Area"), for the purpose of (a) refunding the District's Tax Increment Revenue Bond Anticipation Notes, Series 2006A (Epworth Road Corridor Project), currently outstanding in the principal amount of Five Million Eight Hundred Fifty Thousand Dollars (\$5,850,000) (the "Series 2006 BANs"), and (b) financing the cost of property acquisition, redevelopment and economic development in or serving the Allocation Area (including, in particular, (i) the financing and/or reimbursement of certain costs related to the construction of a water tower and (ii) the construction of certain road improvements, including, without limitation, the expansion of Vann Road and the improvement and expansion of Grimm Road (collectively, the "Project")), together with a sum sufficient to pay the estimated cost of all expenses reasonably incurred in connection with the acquisition, redevelopment and economic development of the property in or serving the Allocation Area, including the total cost of all land, rights-of-way and other property to be acquired, redeveloped and economically developed, all reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount and supervisory expenses related to the acquisition, redevelopment and economic development of the property or the issuance of the Bonds, capitalized interest as permitted by the Act and a debt service reserve for the Bonds to the extent that the Commission determines that a reserve is reasonably required, and expenses that the Commission may be required or permitted to pay as "relocation assistance" under Indiana Code 8-23-17, together with the expenses in connection with or on account of the issuance of the Bonds therefor; and

WHEREAS, in anticipation of the issuance and sale of the Bonds, and to provide interim financing to apply to a portion of the costs of refunding the Series 2006 BANs and financing the Project, the Commission authorized pursuant to the Bond Resolution the issuance of bond anticipation notes ("BANs") of the District, in one or more series, in an aggregate principal amount not to exceed Twenty Million Dollars (\$20,000,000); and

WHEREAS, pursuant to the Bond Resolution, the principal of the BANs shall be payable solely from the proceeds from the issuance and sale of the Bonds, when and if issued, and interest on the BANs shall be payable solely from the proceeds from the issuance and sale of the Bonds, when and if issued, and from the Tax Increment or any other revenues pledged to the payment of the interest on the BANs; and

WHEREAS, the Commission has determined to issue and sell one or more series of the BANs in a combined aggregate principal amount not to exceed Seven Million Three Hundred Fifty Thousand Dollars (\$7,350,000) (collectively, the "Series 2008 BANs"); and

WHEREAS, in order to better secure the Series 2008 BANs for the purpose of attracting one or more purchasers of the Series 2008 BANs, the Commission has requested that the Board of Commissioners (the "Board of Commissioners") of the County of Warrick, Indiana (the "County") pledge the County's distributive share of county economic development income tax revenues (the "CEDIT Revenues"), pursuant to Indiana Code 6-3.5-7, as amended (the "CEDIT Act"), in an amount sufficient to provide for the payment of interest on the Series 2008 BANs; and

WHEREAS, Indiana Code 5-1-14-4 and Indiana Code 36-7-14-25.5 permit the County to pledge CEDIT Revenues to the Commission, which pledge shall be binding from the time it is made; and

WHEREAS, the Board of Commissioners deems it in the best interest of the County and its citizens and of public utility and benefit to pledge CEDIT Revenues distributed to the County to the payment of the interest on the Series 2008 BANs; and

WHEREAS, the Board of Commissioners intends for the CEDIT Revenues to be used for payment of interest on the Series 2008 BANs only to the extent that Tax Increment is unavailable;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF WARRICK, INDIANA, AS FOLLOWS:

SECTION 1. The Board of Commissioners does hereby irrevocably pledge CEDIT Revenues distributed to the County for payment of the interest on the Series 2008 BANs, which pledge shall continue during the period in which the Series 2008 BANs remain outstanding. This irrevocable designation is made for the purpose of permitting the County to pledge such CEDIT Revenues to the Commission for the purpose of paying interest on the Series 2008 BANs. Notwithstanding anything herein to the contrary, the pledge of CEDIT Revenues to the payment of interest on the Series 2008 BANs shall be junior and subordinate in all respects to the pledge of CEDIT Revenues to certain lease rental payments due by the County under that certain Lease dated as of September 18, 1995, between the Warrick County Judicial Center Building Corporation, as lessor, and the County, as lessee, as amended (the "1995 Lease") (which pledge of CEDIT Revenues to lease payments under the 1995 Lease is, by its terms, limited to Two Hundred Fourteen Thousand Dollars (\$214,000) per year). Furthermore, the pledge of CEDIT Revenues shall be on a parity with the pledge of CEDIT Revenues to the payment of certain Warrick County, Indiana Economic Development Income Tax Revenue Notes, Series 2008,

issued on October 10, 2008, currently outstanding in the principal amount of Two Million Twenty-Five Thousand Dollars (\$2,025,000) (the "2008 County Notes") and the payment of interest on certain Warrick County Redevelopment District Tax Increment Revenue Bond Anticipation Notes, Series 2008 (North West Elberfeld Corridor Project), issued on October 14, 2008, currently outstanding in the principal amount of not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) (the "North West BANs"), provided that the conditions for pledging CEDIT Revenues on parity with the pledge of CEDIT Revenues to the 2008 County Notes and the North West BANs, as set forth in the documentation authorizing such pledges, is met.

SECTION 2. The provisions hereof shall be construed to create a trust in the CEDIT Revenues described herein. This Resolution is adopted and the pledge of CEDIT Revenues hereunder is made pursuant to Indiana Code 5-1-14-4 and shall not be repealed or amended in any manner which would serve to adversely affect such pledge set forth herein.

SECTION 3. For the period during which the Series 2008 BANs are outstanding, the County hereby covenants that for the purpose of ensuring receipt by the County of its fractional amount of the certified distribution of CEDIT Revenues, it will maintain a capital improvement plan that conforms in all respects to Section 15 of the CEDIT Act.

SECTION 4. The members of the Board of Commissioners and the Warrick County Auditor are, and each of them is, hereby authorized to enter into and execute and attest one or more pledge and reimbursement agreements with the Commission to provide for (a) the terms and mechanics of the pledge of the CEDIT revenues to the payment of interest on the Series 2008 BANs, consistent with the terms of this Resolution, and (b) the reimbursement to the County from future Tax Increment for any CEDIT Revenues used to pay interest on the Series 2008 BANs.

SECTION 5. The County reserves the right to authorize and issue bonds and bond anticipation notes or enter into other obligations or leases payable out of CEDIT Revenues, in whole or in part, or to otherwise pledge the CEDIT Revenues, on a parity with the pledge of CEDIT Revenues to the payment of interest on the Series 2008 BANs (the "Parity Obligations") (provided, that any such additional pledge shall be junior and subordinate in all respects to the pledge of CEDIT Revenues to lease payments under the 1995 Lease), for the purpose of financing the cost of other projects permitted to be funded with CEDIT Revenues pursuant to the provisions of the CEDIT Act or to provide for a complete or partial refunding of the Parity Obligations. The authorization and issuance of such Parity Obligations shall be subject to the following conditions precedent:

(a) Any such Parity Obligations shall not cause the County to exceed its debt limitation under Article 13, Section 1, of the Indiana Constitution as of the date of issuance;

(b) All payments due with respect to the pledge of CEDIT Revenues to lease payments under the 1995 Lease, with respect to the pledge of CEDIT Revenues to principal and interest on the 2008 County Notes, with respect to the pledge of CEDIT

Revenues to interest on the North West BANs and the Series 2008 BANs, and with respect to any pledge of CEDIT Revenues subsequently made with respect to outstanding Parity Obligations, if any, shall have been paid in accordance with their respective terms, with no payment in arrears; and

(c) Either (1) the CEDIT Revenues in the fiscal year immediately preceding the issuance of any Parity Obligations shall be not less than one hundred twenty-five percent (125%) of the combined maximum annual lease payment, interest and principal requirements under the pledge of CEDIT Revenues to lease payments under the 1995 Lease, the pledge of CEDIT Revenues to principal and interest on the 2008 County Notes, the pledge of CEDIT Revenues to interest on the North West BANs and the Series 2008 BANs, and any pledge of CEDIT Revenues to any then outstanding Parity Obligations and to the additional Parity Obligations to be issued; or (2) the CEDIT Revenues for the first full fiscal year immediately succeeding the issuance of any Parity Obligations shall be projected to be at least equal to one hundred twenty-five percent (125%) of the combined maximum annual lease payment, interest and principal requirements under the pledge of CEDIT Revenues to lease payments under the 1995 Lease, the pledge of CEDIT Revenues to principal of and interest on the 2008 County Notes, the pledge of CEDIT Revenues to interest on the North West BANs and the Series 2008 BANs, and any pledge of CEDIT Revenues to any then outstanding Parity Obligations and to the additional Parity Obligations to be issued. For purposes of this subsection, the records of the County shall be analyzed and all showings prepared by a certified public accountant or independent financial adviser employed by the County for that purpose.

SECTION 6. Except as otherwise provided in Section 5 hereof, so long as the Series 2008 BANs remain outstanding, no additional bonds or other obligations pledging any portion of the CEDIT Revenues of the County shall be authorized, executed or issued by the County except such as shall be made subordinate and junior in all respects to the pledge of CEDIT Revenues to the interest on the Series 2008 BANs, unless all of the Series 2008 BANs are redeemed and retired coincidentally with the delivery of such additional bonds or other obligations.

SECTION 7. This Resolution shall be in full force and effect from and after its adoption by the Board of Commissioners.

* * * * *

Passed by the Board of Commissioners of the County of Warrick, Indiana, this 22nd day
of OCTOBER, 2008.

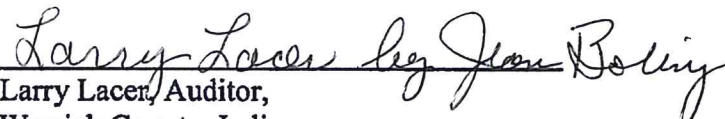
BOARD OF COMMISSIONERS OF THE
COUNTY OF WARRICK, INDIANA


Nova Conner, Commissioner


Phillip Baxter, Commissioner


Don Williams, Commissioner

ATTEST:


Larry Lacer, Auditor,
Warrick County, Indiana

Roger Emmons

From: Kimpel, Tom [tkimpel@bamberger.com]

Sent: Wednesday, October 22, 2008 10:02 AM

To: Roger Emmons

Cc: Welp, Douglas; Larry Taylor

Roger: I would prefer that Economic Development Projects on page 6 at *35 read as follows, "Epworth Road Area - Water Tower Project. Project includes design, construction and fees for 750,000 gallon pedestal water tower to serve the Epworth Road Area." Balance of document where it identifies Epworth TIF Area be changed to Epworth Road Area. If any question please call. Thanks for your help. Tom Kimpel

Tom Kimpel**Bamberger, Foreman, Oswald and Hahn, LLP**

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10/22/2008